GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1994
ANSWERED ON:14.03.2017
Procurement Policy for Wheat and Rice
Kumar Shri P.;Tripathi Shri Sharad

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the total quantum of foodgrains, grain-wise and other items procured by the Government during each of the last three years and the manner in which it has been utilised;
(b) the details of the complaints received about the irregularities in procurement of paddy and wheat from various States along with the reasons therefor and the steps taken by the Government in this regard;
(c) whether despite the announcement of minimum support price for more than two dozens of items including oilseeds and pulses, the current procurement policy is mainly focused on buying wheat and rice from the farmers and if so, the details thereof and the reasons therefor; and
(d) whether the foodgrain procurement pattern adopted by the Government promote the production of these items only for which there is enough buffer stock in the country and the oilseeds, pulses and other commodities are being imported in large quantity the country inspite of adequate stock if so, the details thereof and the response of the Government thereto?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): The procurement of Rice and Wheat during last three years and current year is as under:
(As on 07.03.2017)(Fig. in LMT)
Marketing Year
Rice
Wheat
2013-14
318.45
250.92
2014-15
320.40
280.23
2015-16
342.18
280.88
2016-17
307.44
229.61
...2/-
...2...
The procurement of coarsegrain during the last three years and current year is at Annexure.
The total quantum of pulses procured during KMS 2015-16, RMS 2016-17 and KMS 2016-17 are as under:
Pulses procured during KMS 2015-16
(Fig. In MT)
Pulses
FCI
NAFED
SFAC
TOTAL
Tur
20,272.01
20,000.79
5258.05
45,530.85
Urad
4.72
1764.03
3122.90
4891.65
Total
20,276.73
21,764.82
8380.95

50,422.5
Pulses procured during RMS 2016-17
(Fig. In MT)
Pulses
FCI
NAFED
SFAC
TOTAL
Chana
15,200.74
20,266.16
25026.43
60,493.33
Masur
4335.57
2987.68
1232.50
8555.75
Total
19,536.31
23,253.84
26258.93
69,049.08
Pulses procured during KMS 2016-17
(As on 07.03.2017)(Fig. in LMT)
Pulses
FCI
NAFED
SFAC
TOTAL
Moong
61790.54
128,953.33
26,226.88
216970.75
Urad
18,172.73
59,393.54
9627.77
87,194.05
Tur
1,22,752.06
429486.56
58564.68
610803.30
Total
2,02,715.33
617833.44
94419.33
914968.09
Wheat and rice are distributed under Targeted Public Distribution System (TPDS), National Food Security Act (NFSA) and Other Welfare Scheme (OWS) and sold in open market through e-auction under Open Market Sale Scheme (OMSS). Coarse grains are distributed under TPDS. Pulses are offered to States/Agencies for direct distribution to public/consumers at a reasonable rate. The quantities not lifted by agencies are auctioned in the market depending upon price situation and storability.

(b): No such complaints received about the irregularities in procurement of paddy and wheat from any state in recent past.

...3/-

...3...

(c) & (d): Minimum support prices (MSP) is announced by the GOI for twenty three (23) crops including oilseeds and pulses. In addition, MSP for Toria and De-Husked coconut is also fixed on the basis of MSPs of Rapeseed/Mustardseed and Copra respectively.

In addition to the procurement of wheat and paddy/rice, under Price Support Scheme (PSS), the procurement of oil seeds, pulses and cotton through Central Nodal Agencies at the Minimum Support Price (MSP) is also undertaken. This scheme is implemented at the request of the concerned State Government which agrees to exempt the procured commodities from levy of mandi tax and assist central nodal agencies in logistic arrangements including gunny bags, provide working capital for state agencies, creation of revolving fund for PSS operations etc. as required under the Scheme guidelines. The basic objectives of PSS are to provide remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable prices with low cost of intermediation.

Further, Government of India also implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities which are perishable in nature and are not covered under the Price Support Scheme (PSS). The objective of intervention is to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. The condition is that there should be either at

least a 10 percent increase in production or a 10 percent decrease in the ruling market prices over the previous normal year. The scheme is implemented at the request of a State/UT government which is ready to bear 50 percent of the loss (25 percent in case of North-Eastern States), if any, incurred on its implementation. The extent of total amount of loss to be shared on a 50:50 basis between the Central Government and the State Government is restricted to 25 percent of the total procurement value which includes cost of the commodity procured plus permitted overhead expenses.

****

Annex

ANNEX REFERRED TO IN REPLY TO PART (a) OF UNSTARRED QUESTION NO 1994 TO BE ANSWERED ON 14TH MARCH, 2017 IN LOK SABHA.

STATEMENT SHOWING PROCUREMENT OF COARSEGRAINS

As on 09.03.2017

(Figures in Tonnes)

KMS
COMMODITY
A.P.
TELANGANA
BIHAR
C. GARH
HARYANA
KARNATAKA
M.P.
MAH.
RAJ.
TOTAL
2013 -2014
JOWAR
4
2
85
91
BAJRA
0
MAIZE
27918
288904
722
2587
713807
86573
95555
1216066
RAGI
14788
14788
2014 -2015
JOWAR
6839
1643
5867
14349
BAJRA
0
MAIZE
4945
6438
301842
1619
314844
RAGI
135955
135955
2015 -16
JOWAR
7129
4947
16569
28645
BAJRA
5053
5053
MAIZE

22962
11
22973
RAGI
203769
203769
***